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Attorneys for Plaintiff,  
Cisco Systems, Inc.

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION**

CISCO SYSTEMS, INC.,

Plaintiff,

VS.

CAPELLA PHOTONICS, INC.

Defendant.

**Case No. 3:20-cv-01858-EMC**

**PLAINTIFF CISCO SYSTEMS, INC.'S  
NOTICE OF MOTION AND MOTION FOR  
LEAVE TO FILE A FIRST AMENDED  
ANSWER TO ASSERT INEQUITABLE  
CONDUCT**

Assigned to: Hon. Edward M. Chen  
Date: February 11, 2021 at 1:30 pm  
Courtroom: 5, 17<sup>th</sup> Floor

TO THE COURT, ALL PARTIES AND THEIR COUNSEL OF RECORD:

PLEASE TAKE NOTICE THAT on Thursday, February 11, 2021 at 1:30 p.m., or as soon thereafter as this matter can be heard before the Honorable Edward M. Chen, Plaintiff Cisco Systems,

1 Inc. hereby moves the Court for an order granting leave, pursuant to Federal Rules of Civil Procedure  
2 Rule 15, to file a First Amended Answer to assert a claim of inequitable conduct against defendant  
3 Capella Photonics, Inc.

4 This Motion is based on this Notice of Motion and Motion; and such other pleadings,  
5 documents, and arguments as the Court may consider in connection with this Motion for Leave to file  
6 the First Amended Answer. Defendant's counsel intends to oppose this Motion. However, because  
7 leave of court to amend a pleading to assert inequitable conduct under Rule 15 is granted freely by  
8 this Court, Plaintiff hereby files this Motion.

9  
10 Dated: January 6, 2021

WINSTON & STRAWN LLP

11 By: /s/ Krishnan Padmanabhan  
12 Krishnan Padmanabhan  
13 David P. Enzminger  
14 Louis L. Campbell  
15 James C. Lin

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Attorneys for Plaintiff  
CISCO SYSTEMS, Inc.

## **MOTION**

Plaintiff, and Counterclaim Defendant Cisco Systems, Inc. (“Cisco”) respectfully moves the Court, pursuant to Federal Rule of Civil Procedure Rule 15, for an Order granting Cisco leave to file a First Amended Answer to assert a defense of inequitable conduct by Defendant Capella Photonics, Inc. (“Capella”).

Rule 15(a) provides that a party may amend its pleading with the consent of the adverse parties or the court’s leave. Fed. R. Civ. P. 15(a); *Keniston v. Roberts*, 717 F.2d 1295, 1300 (9th Cir. 1983). Leave to amend should be freely given “when justice so requires.” Fed. R. Civ. P. 15(a); *Keniston*, 717 F.2d at 1300. The standard changes from freely given to “good cause” if a pretrial scheduling order has been issued by the court establishing a timeframe by which parties must amend their pleadings, and the parties have not amended their pleadings before the specified time in the scheduling order has expired. *Coleman v. Quaker Oats, Co.*, 232 F.3d 1271, 1294 (9th Cir. 2000).

Where no scheduling order detailing the time to amend pleadings has been issued, the Court of Appeals for the Ninth Circuit has instructed that district courts must grant leave to amend with “extreme liberality.” *DCD Programs v. Leighton*, 833 F.2d 183, 186 (9th Cir. 1987). Amendments seeking to add claims are granted even more liberally than amendments adding parties. *See Union Pac. R.R. Co. v. Nev. Power Co.*, 950 F.2d 1429, 1432 (9th Cir. 1991). In this manner, courts freely grant leave to amend to ensure that “the merits of a dispute will be heard despite defects in the form or timing of pleadings.” *Compression Labs v. Okla. State Univ. Educ. & Research Found.*, CIV 93-20622 RPA, 1995 WL 241438, at \*2 (N.D. Cal. April 19, 1995).

In determining whether amendment is appropriate, courts consider the following five factors to assess whether to grant leave to amend: “(1) bad faith, (2) undue delay, (3) prejudice to the opposing party, (4) futility of amendment; and (5) whether [the party] has previously amended his [pleading].” *In re W. States Wholesale Nat. Gas Antitrust Litig.*, 715 F.3d 716, 738 (9th Cir. 2013). The party opposing amendment bears the burden of showing why amendment should not be freely granted. *Senza-Gel Corp. v. Seiffhart*, 803 F.2d 661, 666 (Fed. Cir. 1986).

This Court has liberally granted motions for leave to assert inequitable conduct. In *Chrimar Systems Inc v. Cisco Systems Inc.*, 2016 WL 1623922 (N.D. Cal. 2016), this Court granted the

1 defendant's leave to amend to assert inequitable conduct based on the plaintiff's failure to name an  
 2 alleged omitted inventor even after the close of fact discovery. *Id.* at \*2-4. "Absent prejudice, or a  
 3 strong showing of any of the remaining ... factors, there exists a presumption under Rule 15(a) in  
 4 favor of granting leave to amend." *Id.* at \*2. Similarly, in *Trimble Navigation Ltd. v. RHS, Inc.*, 2007  
 5 WL 2727164 (N.D. Cal. 2007), this Court held that good cause existed to permit the accused  
 6 infringer to amend its answer to assert inequitable conduct allegations even after the deadline to  
 7 amend pleadings had passed. *Id.* at \*11. "[T]he court does not find that this shortened preparation  
 8 time would be unfairly prejudicial to plaintiff. This is particularly so since, while some additional  
 9 and expedited discovery may be required, it is necessarily limited only to plaintiff's failure to  
 10 disclose the relevant prior art alleged." *Id.*

11 In the present action, there has been no bad faith on the part of Cisco and leave to amend  
 12 should be freely granted. Cisco has been diligent in bringing its motion, as it investigated the  
 13 possibility of the inequitable conduct defense and approached Capella, and has now proceeded to  
 14 file its amended pleadings before any substantial discovery is underway. In fact, Cisco gave  
 15 Capella ample notice that it intended to seek leave to amend its answer and the parties met and  
 16 conferred on the issue on October 17, 2020. Prior and during the meet and confer, Cisco conducted  
 17 further research and investigations into the issue, which allowed Cisco to provide Capella with  
 18 ample basis for this Motion and inequitable conduct defense.

19 Further, there is no prejudice to Capella, since any evidence to rebut Cisco's allegations are  
 20 squarely in the possession of Capella and individuals under its control. In addition, since no  
 21 depositions have taken place, there are no witnesses to which Capella missed the opportunity to ask  
 22 relevant questions. And there is ample time left in discovery, so Capella may subpoena any parties  
 23 they deem relevant, or retain any expert they think appropriate on the issue of inequitable conduct,  
 24 such an expert in Patent Office procedures, or a technical expert to gauge the materiality of the  
 25 omissions alleged by Cisco. Cisco's amendment is not futile, since it poses a merits-based defense  
 26 based on the publicly available information, which indicates that the Capella inventors withheld  
 27 material information during prosecution of their patents. And this is Cisco's first Amended Answer,  
 28 and Cisco is not engaging in serial amendment of pleadings. Therefore, Cisco respectfully requests

1 that the Court enter an Order granting Plaintiff leave to file this First Amended Answer to assert a  
2 claim of inequitable conduct by Capella.

3  
4 Dated: January 6, 2021

WINSTON & STRAWN LLP

5 By: /s/ Krishnan Padmanabhan  
6 Krishnan Padmanabhan  
7 David P. Enzminger  
Louis L. Campbell  
James C. Lin

8 Attorneys for Plaintiff  
9 CISCO SYSTEMS, INC.

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